

# **WHERE DOES ALL THE MONEY GO?**

## **Introduction**

The federal government spends a significant amount of money for various job training and employment programs administered by the Department of Labor. How do these programs help Americans to achieve the skills to compete in the 21<sup>st</sup> century workplace?

The American Worker Project was tasked by Subcommittee Chairman Pete Hoekstra to track the discretionary spending of the Department of Labor and determine if the funds are being effectively administered. The work required to research, analyze, and identify all grantees receiving Department of Labor discretionary funds was significant. The American Worker Project thanks both GAO and the Congressional Research Service (CRS) for their exceptional support.

## **Background**

The United States Department of Labor commands a labyrinth of resources regulating and guiding American workers and their workplace. When it was established in March of 1913, the Department of Labor was staffed with 2,000 people on a budget of \$2.3 million. Eighty-six years later, the Agency employs 17,000 employees on a budget of \$35 billion.

The Department has distributed its administrative, financial, legal, and operating functions among dozens of agencies, hundreds of offices, and thousands of staff. A General Accounting Office (GAO) report issued in July 1997 stated, “Labor’s diversity of functions is carried out by different offices in a decentralized organizational structure. It has 24 component offices or units, with over 1,000 field offices, to support its various functional responsibilities.”<sup>1</sup> To further illustrate the decentralized nature of the Department of Labor’s management structure, “OASAM [Office of the Assistant Secretary for Administration and Management] was uncertain, immediately after the Oklahoma City bombing, whether it had field office staff located in the bombed federal building. To obtain this information, Labor had to query staff in each of the major program divisions to ascertain whether the divisions had field offices in Oklahoma City and the location of the offices.”<sup>2</sup>

The Department’s Office of Inspector General (OIG), has for many years found weaknesses in Labor’s internal control systems and questioned the disposition of millions of dollars throughout various programs, grants, contractors, companies, and unions. GAO stated, “In summary, although Labor has historically been the focal point for workforce development activities, it faces the challenge of meeting those goals with the context of an uncoordinated system of multiple employment training programs operated by numerous departments and agencies.”<sup>3</sup> Over the last decade, the Department of Labor has made strides culminating in the first-ever-unqualified, “clean” financial audit, which was issued by the OIG in February of 1998. That is good news and reflects hard work by the Department. But, more improvement is needed.

## American Worker Project

The Project decided to study the Department's most recent data and current appropriations figures available for FY 1997. The resulting analysis revealed:

- **FY97 Budget Authority** **\$ 34,425,022,000**
- **FY97 Appropriations** **\$ 12,179,866,000**

### **FY97 Agency Appropriations:**

Employment and Training Administration	\$ 9,321,851,000
Bureau of Labor Statistics	\$ 361,700,000
Occupational Safety and Health Administration	\$ 325,734,000
Administration and Management	\$ 372,938,000
Employment Standards Administration	\$ 1,512,405,000
Pension and Welfare Benefits Administration	\$ 77,083,000
Pension Benefit Guaranty Corporation	\$ 10,345,000
Mine Safety and Health Administration	<u>\$ 197,810,000</u>
	<b>\$ 12,179,866,000</b>

The Project chose to focus on the Employment and Training Administration (ETA) for analysis because it receives 76.5 percent of the total discretionary funds. As a first step, American Worker Project asked the Department of Labor for a listing and accounting of grants and contracts awarded with discretionary appropriations. James McMullen, Deputy Assistant Secretary, Office of the Assistant Secretary for Administration and Management, US Department of Labor responded that this information was not available in a "single volume" or "in detail." In addition, the Department said producing the data on a fiscal year basis was too time consuming, cumbersome, not readily available, and difficult to produce. As a compromise, Department officials agreed to provide the information, but on a calendar year 1997 basis.

The first installment, showing \$7.41 billion in awarded grants, arrived at the Project office within a few days of this agreement; however, the second installment, showing \$8.45 billion in grants, did not arrive for approximately six weeks. The data received lacked justification for the money spent, were missing grantees (meaning some grantees were identified in the first installment then were not shown on the second), contained conflicting and inconsistent totals (or lack of totals), and raised more questions. At this point, the American

Worker Project learned to its frustration that it was impossible to reconcile the grant program data using Department of Labor calendar year information, and fiscal year appropriation numbers from Congress. In fact, the Department was also unable to reconcile this information.

Neither set of figures provided by the Department matched discretionary total of \$10.25 billion calculated by the General Accounting Office. The grant and contract amounts from the Department did not include “appropriated entitlements,” “allocations,” “salaries and expenses” and nearly \$100 million in “administrative” or “overhead” expenses. The Project’s efforts to analyze program expenditures were further hampered because of the inability to obtain, from the law or from the Department, a clear definition of what was included in administrative or overhead expenses.

Adding to the complexities of research, the Department of Labor informed the Project that it maintains 141 computer systems and “19 financial systems that feed accounting and related financial information into...the accounting system of record in the Department.”<sup>4</sup>

Although the American Worker Project had been told in March that grant and contract information was not available in a “single volume” or “in detail” and was unavailable through his office, Mr. McMullen stated during a September 28 hearing that the Department uses “the Federal Assistance Award Data System (FAADS) and the Federal Procurement Data System to record grant and contract award information.”<sup>5</sup> And, “the objective of the FAADS program is to provide Congressional and State government officials with comprehensive, timely information about financial assistance awards made to public and private recipients.”<sup>6</sup> So, what is the right answer?

The Office of the Inspector General has also encountered difficulties with the procedures for Department grant accounting. Its report on the Department’s Consolidated Financial Statement Audit, September 30, 1997 and 1996 revealed weaknesses in the Employment and Training Administration (ETA) grant accounting procedures and staff.<sup>7</sup> “None of the ETA regional offices tested during the audit had a complete set of written grants accounting procedures. This has resulted in ‘on-the-job training’ that is time-consuming, incomplete, or trial-and-error. The regions visited had different staffing dynamics, but in each location the lack of written procedures has resulted in inefficiencies, significant procedural errors, and/or over-dependence on a single individual to ensure the integrity of the operation.”<sup>8</sup>

## Discretionary Programs

### Job Training Partnership Act (JTPA)

*“The Federal Government’s current grant management processes are confusing, burdensome, and a maze of overlapping programs.”*  
Congressman Stephen Horn<sup>9</sup>

Echoing Congressman Horn’s statement, GAO said, “[W]e reported that, in fiscal year 1995, 163 federal employment training programs were spread across 15 departments and agencies (37 programs were in Labor), with a total budget of over \$20.4 billion. Although we have not recounted the programs and appropriations, we are confident that the same problem still exists. Rather than a coherent workforce development system, we continue to have a patchwork of federal programs with similar goals, conflicting requirements, overlapping target populations, and questionable outcomes.”<sup>10</sup> The American Worker Project reviewed several discretionary programs and reached similar distressing conclusions.

The Employment and Training Administration administers programs within the Job Training Partnership Act. One of these programs began in 1982 as Economic Dislocation and Worker Adjustment Assistance, commonly known as the Dislocated Worker Program. Twenty percent of the funding for this program is administered by the Secretary of Labor through an account called the National Reserve. This discretionary grant program assists workers in obtaining jobs, regardless of how the employee has become dislocated. Dislocated workers can apply for discretionary grants if they meet broad eligibility requirements such as (1) losing a job or being terminated; (2) not likely to return to the job; (3) being long-term unemployed; (4) self-employed like farmers and ranchers; (5) unemployed due to economic conditions; and (6) unemployed due to natural disasters. The funding for Program Year 97 was \$249,050,619.

The information received from the Department showed a total of over \$194 million in grants awarded through the National Reserve account. Some of the recipients of this reserve account were unions and their affiliates. For instance, the Human Resources Development Institute (the lobbying arm of the AFL-CIO) received \$2.55 million; the International Union of Operating Engineers received \$155,000; the International Association of Machinists received \$89,110; and the United Mineworkers of America received \$879,930. Green Thumb, Inc., a non-profit organization, received \$785,490 as well as receiving federal funds under the Senior Community Service Employment Program (SCSEP) which will be described in further detail in the SCSEP section. Northern Virginia Community College was granted \$29,121; the National Council of La Raza was granted \$344,637; and Goodwill Industries of America was granted \$111,150.

In a related matter, the Job Training Partnership Act, of which the Dislocated Worker Program is a part, requires grant recipients to maintain and submit information that the Secretary of Labor needs to measure performance.<sup>11</sup> “The OIG performed an audit of the management control systems used to accumulate the...data at the State and Service Delivery Area (SDA) levels for the period July 1, 1993, to June 30, 1994, (Program Year 1993).”<sup>12</sup> ...the audit found that adequate management controls were lacking at every level...As a result,...data was inaccurate, incomplete and not in compliance with (the law’s) requirements. Since (data

collection) guidelines and (legal) requirements were inconsistently applied, the value of (the) data as a management tool was diminished.”<sup>13</sup> The OIG determined, “ETA was not aware of the problems because of their inadequate oversight of State and SDA operations.”<sup>14</sup>

There is also evidence of waste and abuse in the administration of the Dislocated Worker Program. The OIG performed an audit of New Horizons Inc. of El Paso, Texas, for the period July 1, 1995, through May 31, 1996.<sup>15</sup> The Secretary’s discretionary funds provided a grant for \$484,019 to New Horizons, a for-profit contractor, to serve 150 eligible dislocated workers. The purpose was to provide, “specific job opportunities with the development of appropriate curricula and support mechanisms so that those eligible dislocated workers who successfully complete the program would get those jobs, at a cost competitive with other program options available.”<sup>16</sup> The OIG audit found that “New Horizons, Inc. was unable to deliver the services promised. They only provided technical training to 25 percent of the participants (37 of the 150 required by the grant). Moreover, training-related employment was obtained by only 15 percent of the 105 participants required under the grant.”<sup>17</sup> As a result, the Employment and Training Administration (ETA) allowed the grant to expire.

In February 1998, OIG issued a report on an audit of a grant awarded to the Central Texas Council of Governments (CTCOG).<sup>18</sup> The audit was performed to determine how the Career Management Accounts (CMAs) were operated and determine differences in training strategies and outcomes for the CMA program participants and a regular control group of participants. The OIG audit found four problems providing three recommendations<sup>19</sup>:

1. Twenty percent of the grant funds were paid in stipends to all CMA participants regardless of need or amount of time spent in the classroom. Joint Training Partnership Act (JTPA) requires that direct support payments to participants must be based on need. We questioned \$117,785 in stipend payments.
2. Program outcomes for control group participants were better than the CMA participants. Only 51 percent of CMA participants obtained jobs after training compared to 71 percent of the control group. Furthermore, the starting wages of CMA participants were \$10.45 per hour compared to \$12.65 per hour for the control group.
3. Many CMA participants were already enrolled in college prior to enrollment in JTPA. Therefore, they enrolled in JTPA to obtain financial aid to continue with their education. To allow either undergraduate or advanced degree college students to enroll in JTPA diminishes available funds for those dislocated workers who need the services to return to the labor market.
4. Participants were not terminated from the grant after 90 days of inactivity as is required to ensure accurate statistics on terminations.

The Job Training and Partnership Act also authorized funding for Migrant and Seasonal Farmworker Programs (MSFP) to assist families to achieve or maintain employment above the poverty level while working in agriculture. In FY 97, the top four sponsors received over \$31 million under this program. Some MSFP also raise concerns. For example, an OIG audit of the Puerto Rico Department of Labor and Human Resources for the period of July 1, 1991 to March 31, 1995<sup>20</sup> concluded “program performance was extremely poor and questioned \$1,764,658 out of total program expenditures of \$13.5 million. Moreover, the OIG commented that the Commonwealth’s welfare program and another federal job training program designed to assist economically disadvantaged individuals had the unintended effect of making it more difficult for the MSFP to achieve its overall objectives.”<sup>21</sup>

In FY 97, grants of \$68,341,842 were issued to programs to help Indian and Native American groups to obtain permanent employment through job training, counseling, referrals, and other initiatives. The Department of Labor originally provided the American Worker Project with a listing of 186 grantees under this program, which was later modified to match their web page listing of 183 grantees. Among the program participants was the United Sioux Tribes of South Dakota Development Corporation, which was awarded \$1.3 million to provide training and other services to Native Americans. An OIG audit of this organization for program years 1995 and 1996 recommended the Department disallow \$308, 462 in excessive costs, inappropriate charges, and payment for services not performed.

The Department of Labor conducted an audit in September 1998 of the Oklahoma-based Cherokee Indian Nation.<sup>22</sup> This audit found that “federal job-training programs were over-charged by \$529,272 by the tribe, and the U.S. Department of Health and Human Services said in a recent report that the tribe’s book-keeping was so careless that it was impossible to account for about \$87 million the department has given the tribe through its Indian Health Service program since 1996.”<sup>23</sup>

The Department of Labor also provides grants to finance part-time, minimum-wage community service jobs for economically disadvantaged older Americans through the Senior Community Service Employment Program (SCSEP). In FY 97, \$435,000,000 was used for administering the SCSEP. The Department of Labor awards the bulk of SCSEP grant funds to 10 nonprofit national sponsors – nonprofit organizations established to provide employment and training to older Americans. Seventy-eight percent of annual appropriations are allotted to these 10 national sponsors, while the remaining 22 percent are distributed to the states and territories.

Department of Labor chooses to fund the national sponsors with noncompetitive grants. Normally, noncompetitive grants over \$25,000 are to be reviewed and approved by the Procurement Review Board (PRB) which “advises whether long-term relationships with the same organizations are consistent with Labor policies. However, Labor exempts (these) awards and does not involve the PRB in reviewing the program’s annual grant renewal decisions.”<sup>24</sup> One of the national sponsors first received SCSEP funds in 1965; the most recent relationship began in 1989. The smallest amount awarded to a national sponsor in program year 1997 was \$5,934,487. Why do these organizations continue to receive significant SCSEP funds without PRB involvement? “Labor officials did not adequately explain the reason for this exemption.”<sup>25</sup>

GAO presented a thorough and comprehensive report on the SCSEP and the role of national sponsors in 1995.<sup>26</sup> The report indicated the Older Americans Act “requires Labor to award grants to national sponsors sufficient to maintain their 1978 level of activities and in so doing to give preference to organizations of proven ability. This requirement to maintain the 1978 level of activity is commonly known as the ‘hold harmless’ provision.”<sup>27</sup> GAO’s conclusion was, “Labor could more equitably distribute SCSEP funds among states if the OAA’s Title V hold harmless provision were amended or eliminated. Amending it to permit Labor to hold harmless only sponsors’ 1978 nationwide total number of positions, rather than the 1978 funding level in each state, would enable Labor to (1) depart from the 1978 state-by-state pattern and (2) allot the funds so as to correct the problem of over-served and under-served states. Repealing the hold harmless provision, although an option, could significantly change the program’s character if it resulted in major shifts of funding allocations from national sponsors to state governments.”<sup>28</sup>

Another issue with these grants is conflict of interest. For example, during calendar years 1990 through 1995, the American Association of Retired Persons (AARP) administered Department of Labor grants (\$50 million per year), EPA grants (\$20 million per year), and additional grants for IRS, HHS, and HUD.”<sup>29</sup> American Worker Project research discovered that of the National Council of Senior Citizens’ “almost \$70.6 million income in 1994, \$70 million or 96 percent was from federal government grants...By comparison, the AARP accepted \$85.9 million in federal grants, 25 percent of its total budget.”<sup>30</sup> As Dr. Donald Senese of The 60 Plus Association wrote, “A legitimate focus is whether these organizations, essentially advocacy groups for more federal spending, should be running government programs providing employment for seniors. It appears there is a conflict of interest or at least the opportunity to build a structure to lobby for more federal funding at the expense of groups which do not accept federal funds.”<sup>31</sup>

The Department does not restrict its use of noncompetitive grants to the SCSEP; however, since the Department does not collect information on noncompetitive, discretionary grants as a category, it is difficult to perform thorough analysis. A GAO review for fiscal years 1990-92 determined that the Employment and Training Administration “awarded grants to the same organizations for 15 or more years.”<sup>32</sup>

The “year-after-year-after-year” approach of awarding grants to unions, public interest groups, and businesses creates impediments to competition, possible conflict of interest; and, highlights the lack of central tracking system to identify and track grant awards.<sup>33</sup> The following table is a sampling of the many organizations that received grants over consecutive years and has been excerpted from the February 1994 GAO Report (GAO/HEHS-94-9) to the Chairman, Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, U.S. Senate.

**Table 1: Grants to the Same Grantees Over Several Consecutive Years**

<u>GRANTEE</u>	<u>NUMBER OF CONSECUTIVE YEARS</u>
National Tooling & Machining Association	31
SER – Jobs for Progress, Inc.	28
National Urban League, Inc.	26
National Alliance of Business	25
Human Resource Development Institute	23
National Association of Counties	20
National Puerto Rican Forum	16
National Council on La Raza	15
International Association of Machinists	15

Another government job training program is the Job Corps, which was established in 1964 as a residential training program to help disadvantaged youths become educated and develop job skills. For FY 97, more than \$1 billion was appropriated for the Job Corps program with an additional \$88 million appropriated for construction and renovation of new and existing facilities.

Evidence of Job Corps difficulties includes embezzlement of funds by a Mississippi Job Corps Center employee in March 1998.<sup>34</sup> Res-Care, Inc. claimed over \$78,000 in unallowable charges, of which \$18,794 pertained to Job Corps.<sup>35</sup> The Sierra Nevada Job Corps Center operated by the Management & Training Corporation actively campaigned against efforts to unionize the Center, in violation of provisions under the Job Training Partnership Act.

As an example of larger problems, the American Worker Project focused on the issue of Job Corps' sole-source contracts. The Department of Labor awards nine sole-source contracts to national contractors, eight unions, and one business organization, who provide Job Corps students with vocational training.



**TABLE 2: Job Corps National Training Contractors and 1996 Program Year Awards**

Contractor	Year of Initial Award	1996 Program Year Award * (millions)
AFL/CIO Appalachian Council	1974	\$4.2
Home Builders Institute	1974	\$13.5
International Brotherhood of Painters and Allied Trades	1969	\$4.1
International Masonry Institute	1971	\$3.5
International Union of Operating Engineers	1966	\$2.5
National Plasterers and Cement Masons International Association	1970	\$5.3
Transportation-Communication International Union	1972	\$4.2
United Brotherhood of Carpenters and Joiners of America	1968	\$6.3
United Auto Workers	1978	\$2.5
Total		\$46.1

\* A program year begins on July 1 and ends on June 30 of the following year. A program year is designated by the year in which it begins. Thus, program year 1996 began on July 1, 1996, and ended on June 30, 1997.

Source: Job Corps: Vocational Training Performance Data Overstate Program Success (GAO/T-HEHS-98-218, July 29, 1998).

In a 1995 analysis of the Department's sole-source contracts, GAO commented, "The use of national contractors may have been prudent in the past, but times have changed. The shifting composition of the labor market, particularly the decline in the construction trades; the high proportion of vocational training funds allocated to national contractor training; and Labor's lack of information to support its justification for these national contracts, raises questions about whether this is the most cost-effective approach to vocational training."<sup>36</sup>

And when the Department was asked by GAO to provide information, "To date, Labor has failed to provide adequate support to justify sole-source procurement for vocational training services provided by the nine national labor and business organizations. Labor's justification for sole-source procurement does not explain or demonstrate the basis for Labor's determination of need."<sup>37</sup>

## Findings and Recommendations

In March 1997 GAO reported, "Not only are Labor's employment training programs part of a fragmented system but, despite spending billions of dollars each year, many federal agencies operating these programs do not know if their programs are really helping people find jobs."<sup>38</sup>

Perpetually and automatically funding the national sponsors with noncompetitive, discretionary grants is ill suited to the modern workplace. Reevaluating the inequitable distribution of funding levels that has for decades reinforced these national sponsors is a stepping stone for a focused discussion involving SCSEP participants and the Secretary of Labor. National sponsors and states need to work more closely on a more financially even playing field. One possible solution is to require SCSEP noncompetitive grants over \$25,000 to be reviewed and approved by the Procurement Review Board (PRB). Another is to eliminate sole-source contracting under Job Corps. One thing is clear: unless effective grant management becomes a priority, the needs of potential workers will remain lost in an antiquated, bureaucratic maze.

- Congress must perform aggressive oversight of Department of Labor.
- Department of Labor should ensure no organizational conflicts of interest with and between grant recipients.
- Department of Labor should modernize and consolidate its 141 computer systems.
- Congress should require competition in grant making.
- Congress should comprehensively reevaluate the exceptions for award of sole-source contracts over competitive awarding and act to prevent possible abuse.
- Congress must reevaluate non-discretionary grant award procedures.
- Congress should begin the development of uniform reporting systems across government so that any taxpayer can quickly obtain reliable information on how agencies are spending tax dollars.
- Department of Labor must learn to better evaluate these programs to ensure that they are effectively and efficiently helping Americans to find jobs.

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<sup>1</sup> US General Accounting Office, GAO/HEHS-97-172R, THE RESULTS ACT; OBSERVATIONS ON DEPARTMENT OF LABOR'S JUNE 1997 DRAFT STRATEGIC PLAN, July 11, 1997, p.3.

<sup>2</sup> Id.at10.

<sup>3</sup> US General Accounting Office, GAO/T-HEHS-97-85, Department of Labor, CHALLENGES IN ENSURING WORKFORCE DEVELOPMENT AND WORKER PROTECTION, March 6, 1997, p.1.

<sup>4</sup> Id. at 3.

<sup>5</sup> James E. McMullen, Deputy Assistant Secretary for Administration and Management, Statement before the Subcommittee on Oversight and Investigations, Committee on Education and the Workforce, United States House of Representatives, September 28, 1998, p.3.

<sup>6</sup> Id.

<sup>7</sup> Id.

<sup>8</sup> Id.

<sup>9</sup> Representative Stephen Horn (R-CA), Subcommittee on Government Management, Information, and Technology News Release, *House to Consider Options to Strengthen Financial Management Laws, Save Taxpayers Billions*, June 17, 1998.

<sup>10</sup> US General Accounting Office, GAO/T-HEHS-97-85, Department of Labor, CHALLENGES IN ENSURING WORKFORCE DEVELOPMENT AND WORKER PROTECTION, March 6, 1997, p.p. 1-2.

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<sup>11</sup>SEMIANNUAL REPORT TO THE CONGRESS, October 1, 1995 – March 31, 1996, Office of Inspector General, United States Department of Labor, p. 10.

<sup>12</sup>Id. at 10-11.

<sup>13</sup>Id.

<sup>14</sup>Id. at 11.

<sup>15</sup>SEMIANNUAL REPORT TO THE CONGRESS, October 1, 1996 – March 31, 1997, Office of Inspector General, United States Department of Labor, p. 12.

<sup>16</sup>Id.

<sup>17</sup>Id. at 13.

<sup>18</sup>SEMIANNUAL REPORT TO THE CONGRESS, October 1, 1997 – March 31, 1998, Office of Inspector General, United States Department of Labor, p. 12.

<sup>19</sup>Id. at 13.

<sup>20</sup>SEMIANNUAL REPORT TO THE CONGRESS, October 1, 1995 – March 31, 1996, Office of Inspector General, United States Department of Labor, p. 3.

<sup>21</sup>Id.

<sup>22</sup>The Washington Post, *Labor Audit Criticizes Cherokee Accounting*, November 3, 1998, p. A7.

<sup>23</sup>Id.

<sup>24</sup>US General Accounting Office, GAO/HEHS-96-4, Department of Labor, SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM DELIVERY COULD BE IMPROVED THROUGH LEGISLATIVE AND ADMINISTRATIVE ACTIONS, November 2, 1995, p. 11. GAO states that it is entirely possible the reviewed threshold amount may have been raised. However, GAO based its statements upon information received at the time and stands behind its report, GAO /HEHS-96-4. The Department of Labor asserts that the Department of Labor Series (DLMS) Chapter 2, Section 830 (as revised December 31, 1993), the Procurement Review Board reviews proposed noncompetitive grants that exceed \$100,000, not \$25,000. Grants awarded under Title V of the Older American Act of 1965, as amended are exempt.

<sup>25</sup>Id.

<sup>26</sup>Id at 1.

<sup>27</sup>Id at 2.

<sup>28</sup>Id at 23.

<sup>29</sup>Office of Inspector General, US Department of Labor, Office of Audit, AARP's INDIRECT COST RATES, Report No. 18-98-001-07-737, December 11, 1997, p.1.

<sup>30</sup>Capital Research Center, ORGANIZATIONAL TRENDS, *National Council of Senior Citizens Taxpayers Fund Lobby for 'Senior-Friendly' Government Pork*, Programs, and Perks, James L. Martin & Donald J. Senese, January 1998, p. 3.

<sup>31</sup>Dr. Donald J. Senese, Director of Research, The 60 Plus Association, Letter to American Worker as a Crossroads Project, June 29, 1998.

<sup>32</sup>US General Accounting Office, GAO/HEHS-94-9, Department of Labor, NONCOMPETITIVE DISCRETIONARY GRANTS, February 22, 1994, p. 4-5.

<sup>33</sup>Id at 6-10.

<sup>34</sup>SEMIANNUAL REPORT TO CONGRESS, October 1, 1997-March 31, 1998, Office of Inspector General, United States Department of Labor, p. 21.

<sup>35</sup>Id at p. 19.

<sup>36</sup>US General Accounting Office, GAO/HEHS-95-180, Job Corps, HIGH COSTS AND MIXED RESULTS RAISE QUESTIONS ABOUT PROGRAM'S EFFECTIVENESS, June 1995, pp. 17-18.

<sup>37</sup>US General Accounting Office, GAO-HEHS-98-218, Job Corps, VOCATIONAL TRAINING PERFORMANCE DATA OVER STATE PROGRAM SUCCESS, July 29, 1998, p. 15.

<sup>38</sup>US General Accounting Office, GAO-HEHS-97-85, Department of Labor, CHALLENGES IN ENSURING WORKFORCE DEVELOPMENT AND WORKER PROTECTION, March 6, 1997, p.7.

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